



March 15, 2012

**VIA ELECTRONIC FILING**

Ms. Jocelyn Boyd  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Dear Ms. Boyd:

Re: Filing of Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.  
Pursuant to S.C. Code §58-5-430  
Docket No. 2011-7-G

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act, enclosed is the quarterly monitoring report for the twelve-month period ending December 31, 2011, for Piedmont Natural Gas Company, Inc.

If you have any questions about this filing, you may reach me at 704-731-4560 or Robert Thornton at 704-731-4148.

Sincerely,

s/ Jenny Furr  
Jenny Furr  
Manager, Regulatory Reporting

Enclosures

c: ORS – Carey Stites (via UPS overnight)  
Scott Elliott  
James H. Jeffries IV

# CERTIFICATION

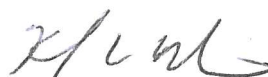
I, Thomas E. Skains and Karl W. Newlin, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains  
*President and CEO*

3/12/12

Date Signed



Karl W. Newlin  
*Senior Vice President and CFO*

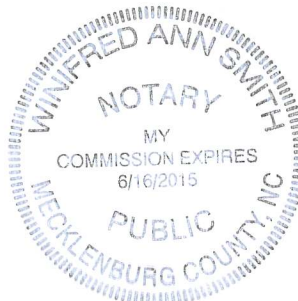
3/12/2012

Date Signed

Subscribed and Sworn to before me this  
12<sup>th</sup> day of March, 2012.

  
Notary Public

My Commission Expires 6/16/2015.



Net Operating Income and Rate of Return  
For The Twelve Months Ended December 31, 2011  
South Carolina  
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	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 142,200,891	\$ (12,539,535)	\$129,661,356
Other Operating Revenues	901,010	-	901,010
Total Operating Revenue	<u>\$ 143,101,901</u>	<u>\$ (12,539,535)</u>	<u>\$ 130,562,366</u>
Operating Expenses			
Cost of Gas	\$ 74,190,150	\$ (14,181,095)	\$60,009,055
Other Operation & Maintenance	26,623,159	535,248	27,158,407
Depreciation	12,035,792	(890,190)	11,145,602
General Taxes	6,498,912	(71,084)	6,427,828
State Income Taxes	1,185,532	(120,495)	1,065,037
Federal Income Taxes	5,834,883	1,224,813	7,059,696
Amort. of ITC	(32,518)	-	(32,518)
Total Operating Expenses	<u>\$ 126,335,910</u>	<u>\$ (13,502,803)</u>	<u>\$ 112,833,106</u>
Net Operating Income	<u>\$ 16,765,991</u>	<u>\$ 963,269</u>	<u>\$ 17,729,260</u>
Interest on Customer Deposits	(146,395)	-	(146,395)
Amortization of Debt Redemption Premium	-	-	-
AFDUC (Allowance for Funds Use Const)	157,508	-	157,508
Customer Growth	87,820	5,046	92,866
Net Operating Income For Return	<u>\$ 16,864,924</u>	<u>\$ 968,314</u>	<u>\$ 17,833,239</u>
Original Cost Rate Base			
Plant in Service	\$ 402,530,957	\$ -	\$ 402,530,957
Accumulated Depreciation	(175,901,681)	-	(175,901,681)
Net Plant in Service	<u>\$ 226,629,276</u>	<u>\$ -</u>	<u>\$ 226,629,276</u>
Add:			
Construction Work in Progress	5,873,298	-	5,873,298
Materials and Supplies	14,668,713	-	14,668,713
Cash Working Capital	262,491	35,925	298,416
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	3,930,653	-	3,930,653
Accumulated Deferred Income Taxes	57,007,203	-	57,007,203
Unclaimed Funds	82,897	-	82,897
Total Original Cost Rate Base	<u>\$ 186,413,025</u>	<u>\$ 35,925</u>	<u>\$ 186,448,950</u>
Return on rate base	<u>9.05%</u>		<u>9.56%</u>

Net Operating Income and Rate of Return  
For The Twelve Months Ended December 31, 2011  
South Carolina  
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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	After Accounting and Proforma Adjustments							
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 665,460,311	\$ -	\$ 665,460,311	39.52%	\$ 73,676,607	6.1510%	2.43%	\$ 4,531,848
2. Common Equity	1,018,579,992	-	1,018,579,992	60.48%	112,772,342	11.7900%	7.13%	13,301,391
3. Total	<u>\$ 1,684,040,303</u>	<u>\$ -</u>	<u>\$ 1,684,040,303</u>	<u>100.00%</u>	<u>\$ 186,448,949</u>		<u>9.56%</u>	<u>\$ 17,833,239</u>

## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the attached *Quarterly Monitoring Report of Piedmont Natural Gas Company, Inc.* is being served this date via email and UPS Overnight upon:

Florence Belser  
Nanette S. Edwards  
Carey Stites  
Office of Regulatory Staff  
1401 Main Street  
Suite 900  
Columbia, South Carolina 29201  
fbelser@regstaff.sc.gov  
nsedwar@regstaff.sc.gov  
cstites@regstaff.sc.gov

And that a copy of the attached *Quarterly Monitoring Report of Piedmont Natural Gas Company, Inc.* is being served this date via email and U.S. Mail upon:

Scott Elliott  
Elliot & Elliott, P.A.  
721 Olive Street  
Columbia, South Carolina 29205  
sellott@elliottlaw.us

David Carpenter  
Vice President  
Planning and Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
david.carpenter@piedmontng.com

Pia Powers  
Manager, Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
pia.powers@piedmontng.com

This the 15th day of March, 2012.

s/ James H. Jeffries IV  
James H. Jeffries IV